

**WARREN COUNTY SCHOOL DISTRICT
WARREN COUNTY, PENNSYLVANIA**

**RESOLUTION OF THE BOARD OF SCHOOL DIRECTORS
OF THE WARREN COUNTY SCHOOL DISTRICT
AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION
NOTE, SERIES OF 2011, IN THE PRINCIPAL AMOUNT OF \$5,000,000;
ESTABLISHING THE TERMS, CONDITIONS AND FORM OF SUCH NOTE;
ACCEPTING A PROPOSAL TO PURCHASE THE NOTE; PROVIDING
SECURITY FOR THE NOTE; AUTHORIZING CERTAIN OFFICERS AND
EMPLOYEES TO EXECUTE AND DELIVER THE NOTE AND TO PREPARE
AND FILE CERTAIN CERTIFICATES AND OTHER PROCEEDINGS; MAKING
CERTAIN COVENANTS WITH REGARD TO THE INTERNAL REVENUE CODE
OF 1986; AND AUTHORIZING OTHER NECESSARY ACTION.**

WHEREAS, the Warren County School District, of Warren County, Pennsylvania, (hereinafter called the "District"), anticipates current revenues as yet uncollected; and

WHEREAS, the District has inadequate funds for current expenditures; and

WHEREAS, the District has determined that it is necessary to borrow for the purpose of meeting current expenses by issuing a Note to be repaid from said anticipated revenues; and

WHEREAS, Northwest Savings Bank (hereinafter sometimes referred to as the "Lender") has submitted to the District a proposal to purchase a Tax and Revenue Anticipation Note of the District, and the District desires by the adoption of this Resolution to accept such proposal and authorize the issuance and sale of its Tax and Revenue Anticipation Note .

NOW THEREFORE, BE IT RESOLVED by the Board of School Directors of the Warren County School District that:

- (1) The District hereby authorizes the issuance of a Tax and Revenue Anticipation Note in the amount of \$5,000,000 (which amount does not exceed 85% of the taxes levied and the revenues pledged by the District - see Exhibit D attached hereto) in anticipation of the receipt of current taxes and revenues to be sold at private sale.
- (2) The Note shall be in the denomination of \$5,000,000, shall be redeemable at any time at the option of the officers of the District without penalty or premium, shall be fully registered without coupons, shall be dated July 14, 2011, shall bear interest at the rate of 1.86 percent per annum, shall mature December 31, 2011, shall be payable at the office of Northwest Savings Bank (100 Liberty Street, Warren, PA 16365), and shall be substantially in the form attached to this Resolution as Exhibit A, which is hereby made a part of the Resolution.

(3) In compliance with Section 8161 of the Act, the Board of School Directors has determined that a private sale by negotiation rather than public sale is in the best financial interest of the District. Therefore, the proposal of Northwest Savings Bank to purchase the Note dated July 12, 2011, is hereby accepted and shall be incorporated into the minutes of this meeting. A true and correct copy of said proposal is attached hereto as Exhibit B (which is hereby made a part of the Resolution), and the Board Vice-President (due to the unavailability of the Board President) and Board Secretary of the District are hereby authorized and directed to execute and deliver a duplicate original of the acceptance of said proposal to the Lender.

(4) The District hereby pledges to the Lender and grants to the Lender a lien and charge on its taxes and revenues to be received during the period when the Note is outstanding to secure the payment of the indebtedness evidenced hereby and the interest thereon.

(5) Payment of principal and interest shall be made in the amounts and on the dates indicated on the attached Exhibit C, which is hereby made a part of this Resolution.

(6) The Board Vice-President (due to the unavailability of the Board President) is hereby authorized and directed to execute and deliver in the name of, on behalf of, and under the seal of, the District, the Tax and Revenue Anticipation Note in the form and containing terms described above, and the Secretary of the District is hereby authorized and directed to attest the same.

(7) The Director of Business Services is hereby is authorized and directed to prepare or cause to be prepared and to file a Certificate as to Taxes and Revenues to be Collected as required by Section 8128 of the Local Government Unit Debt Act. A true and correct copy of said Certificate is attached hereto as Exhibit D, which is hereby made a part of the Resolution.

(8) The Board Vice-President (due to the unavailability of the Board President), Board Secretary, Director of Business Services, and Solicitor of the District are hereby authorized and directed to perform all acts which are necessary and proper for the valid issuance and securing of the Note.

(9) The District hereby covenants with Northwest Savings Bank that no part of the proceeds of the Note shall at any time be used directly or indirectly to acquire securities or obligations the acquisition of which would cause the Note to be an "arbitrage bond," as that term is defined under Section 103(b)(2) and of Section 148 of the Internal Revenue Code of 1986, as amended, and rules and regulations issued pursuant thereto (the "Code"), throughout the term of the Note.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the Warren County School District, this 12th day of July, 2011.

ATTEST: (SEAL)

WARREN COUNTY SCHOOL DISTRICT

Secretary

Vice-President, Board of School Directors (SEAL)

TAX AND REVENUE ANTICIPATION NOTE

**WARREN COUNTY SCHOOL DISTRICT
WARREN COUNTY, PENNSYLVANIA**

**TAX AND REVENUE ANTICIPATION NOTE
SERIES OF 2011**

<u>Amount</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>
\$5,000,000	July 14, 2011	December 31, 2011	1.86 % per annum

The Warren County School District, Warren County, Pennsylvania (hereinafter referred to as the "District"), intending to be legally bound, promises to pay to the order of Northwest Savings Bank (hereinafter sometimes referred to as the "Lender") at its office at 100 Liberty Street, Warren, Pennsylvania, on or before December 31, 2011, in such coin or currency as at the place and time of payment is legal tender for the payment of public and private debts, with interest thereon from the date hereof on the unpaid principal balance from time to time outstanding at the rate of 1.86 % per annum.

At the option of the District, payment of the indebtedness evidenced hereby may be anticipated and paid/redeemed prior to maturity in whole or in part and without penalty or premium.

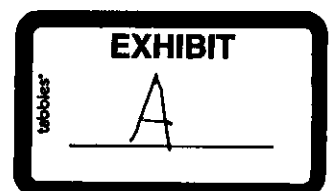
The indebtedness evidenced hereby is a borrowing in anticipation of current taxes and other current revenues to be received during the fiscal year ending June 30, 2012, and is to be repaid from revenues received by the District during said fiscal year.

The District hereby pledges to the Lender and grants to the Lender a lien and charge on its taxes and revenues to be received during the period when the Note is outstanding to secure the payment of the indebtedness evidenced hereby and the interest thereon.

Payment of principal and interest shall be made in the amounts and on the dates indicated on the attached Exhibit A, which is hereby made a part of this Note.

This Tax and Revenue Anticipation Note is executed and delivered pursuant to a Resolution adopted by the District upon the affirmative vote of at least a majority of its members at a meeting held on July 12, 2011, and after filing with the Department of Community and Economic Development of the Commonwealth of Pennsylvania the documents required by Section 8128 of the Local Government Unit Debt Act.

The District covenants that it will not make any use of the proceeds of this Note which would cause this Note to be an "arbitrage bond" as such term is defined in Section 103(b)(2) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the "Code").



IN WITNESS WHEREOF, the Warren County School District has caused this Tax and Revenue Anticipation Note to be executed by the Vice-President of the Board of School Directors (due to the unavailability of the Board President), its seal to be hereunto affixed, and the same to be attested by the Board Secretary, and this Note to be delivered to the Bank this 14th day of July, 2011.

ATTEST: (SEAL)

WARREN COUNTY SCHOOL DISTRICT

Secretary

_____(SEAL)
Vice-President, Board of School Directors

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000,000.00	07-14-2011	12-31-2011	8375057273	410 / 57	WARRENC00	WT2	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: WARREN COUNTY SCHOOL DISTRICT
185 HOSPITAL DR STE F
WARREN, PA 16365

Lender: NORTHWEST SAVINGS BANK
Warren Main Office
Liberty & Second Streets
PO Box 96
Warren, PA 16365

Disbursement Date: July 14, 2011
Interest Rate: 1.860

Repayment Schedule: Single Pay
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	12-31-2011	5,043,916.67	43,916.67	5,000,000.00	0.00
TOTALS:		5,043,916.67	43,916.67	5,000,000.00	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

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EXHIBIT

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CERTIFICATE OF TAXES AND REVENUES TO BE COLLECTED

Pursuant to Section 8126 of the Local Government Unit Debt Act, the Business Administrator of the Warren County School District, Warren County, Pennsylvania (hereinafter the "Local Government Unit") hereby certify that:

1. The undersigned have carefully estimated that the following amounts of moneys will be received from taxes levied and assessed, and other revenues to be received (including subsidies and reimbursements during the following months in the fiscal year ending June 30, 2012. (Note: only months during which the note will be outstanding)

Jul-11	\$	1,400,000
Aug-11	\$	5,700,000
Sep-11	\$	5,100,000
Oct-11	\$	16,850,000
Nov-11	\$	3,000,000
Dec-11	\$	6,300,000
Total	\$	38,350,000

2. In making the foregoing estimate, the undersigned have considered the past anticipated collection experience of the Local Government Unit and current economic conditions:

3. The amount of the borrowing pursuant to tax and revenue anticipation notes in the above mentioned fiscal year, including current obligations, does not exceed 85% of the sum of the revenues.

IN WITNESS WHEREOF, The undersigned have set their hands this 12th day of July, 2011.

James Grosch
Director of Business Services

Ruth Huck
Secretary

EXHIBIT

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D

CERTIFICATION

I, Ruth Huck, Secretary of the Board of School Directors of the Warren County School District, hereby certify that the foregoing is a true and correct copy of a Resolution, duly adopted by the majority vote of the Board of School Directors, at a meeting duly held on the 12th day of July, 2011, and that the minutes of said meeting showing how each member voted have been duly recorded in the official minutes of the District.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 12th day of July, 2011.

Secretary